SLGA

SASKATCHEWAN LIQUOR & GAMING AUTHORITY ANNUAL REPORT 2001-02

Structure and Mandate

The Saskatchewan Liquor and Gaming Authority (SLGA) is a Treasury Board Crown Corporation responsible for the distribution, control and regulation of liquor and gaming across the province. SLGA achieves this through socially responsible, fair, and cost-effective services and programs delivered by employees located at its head office in Regina, a liquor distribution centre in Regina, an office in Saskatoon, and a network of 81 liquor stores in communities throughout the province. The Authority also has more than 190 franchise outlets throughout the province.

SLGA is the main distributor of and sole licensing agent for the sale of beverage alcohol in Saskatchewan. It owns and operates all video lottery terminals (VLTs) and owns and operates the slot machines at four casinos managed by Saskatchewan Indian Gaming Authority (SIGA). SLGA also licenses and regulates most forms of gaming including, bingo, raffles, casinos, breakopen tickets and horse racing.

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102-07013/

Letter of Transmittal

Regina, Saskatchewan
August 2002

The Honourable Lynda Haverstock
Lieutenant Governor of Saskatchewan

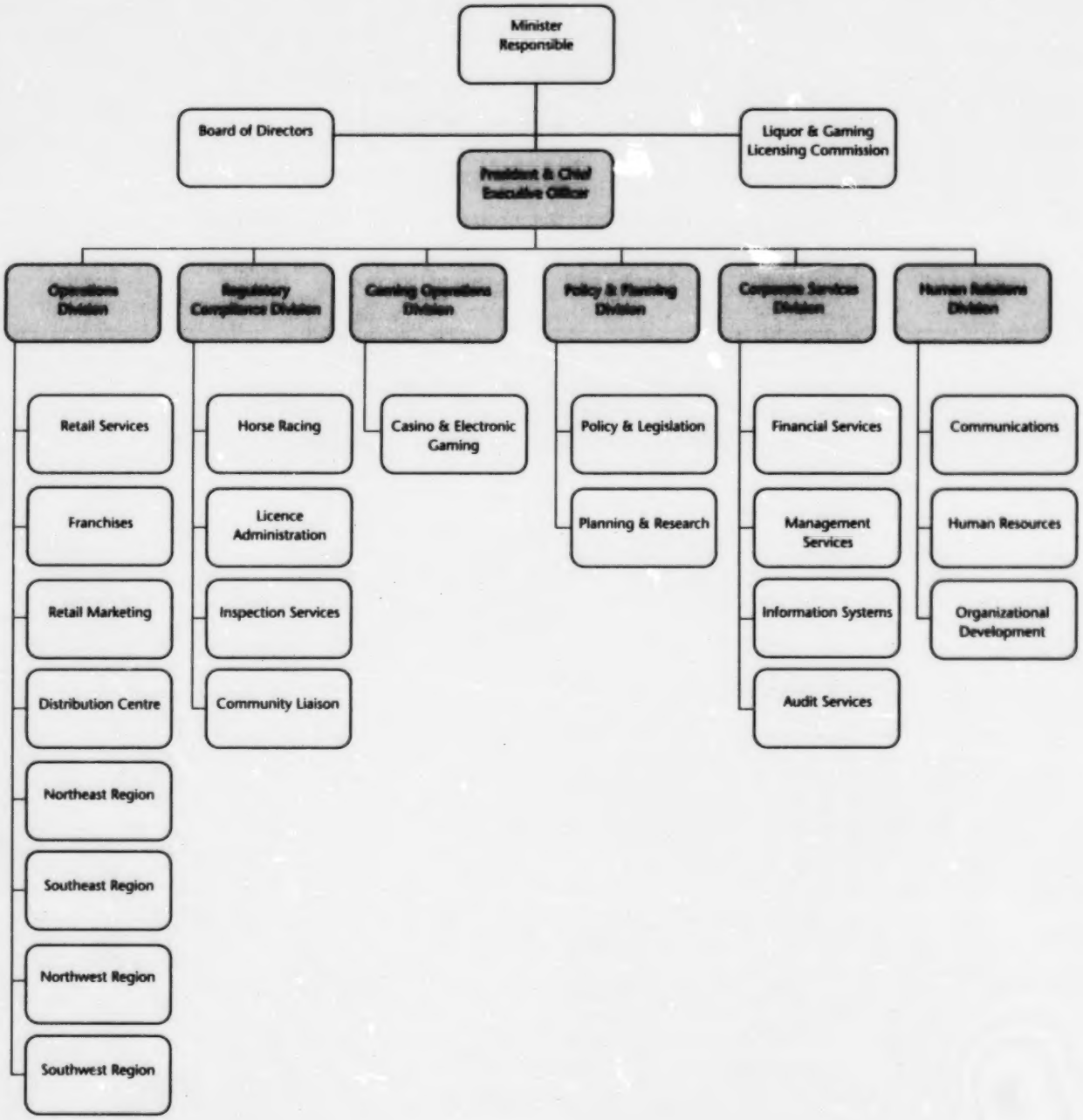
Your Honour:

I am pleased to submit the annual report of Saskatchewan Liquor and Gaming Authority for the period ending March 31, 2002. This report includes the financial statements in the form required by Treasury Board and in accordance with *The Alcohol and Gaming Regulation Act*.

Respectfully submitted,

Ron Osika
Minister Responsible for the Saskatchewan Liquor and Gaming Authority

Organizational Chart



President's Report

This past year, while one of change and development, was also a positive one for SLGA.

Financially, our net income for 2001-02 was $318 million, among the highest annual revenue recorded for SLGA. This money, generated through liquor and gaming activities in the province, flows to the provincial General Revenue Fund to help pay for essential programs and services like highways, health care and education which benefit all Saskatchewan people.

SLGA continued to work with the Saskatchewan Indian Gaming Authority (SIGA) during the past year to correct and improve financial and management practices at SIGA. As the Provincial Auditor pointed out in his 2001 Fall Report, SLGA has made significant progress in improving the management of public money under the control of SIGA. Also in 2001-02, SIGA met the eight accountability benchmarks set out for it last year, allowing negotiations for a new gaming framework agreement to resume. We are proud of this progress and are committed to continuing to work with SIGA towards our common goal of sustained progress.

Work also continued on the development of SLGA's first corporate-wide strategic plan and performance measurement system during the past year. Once finalized, this document will formally establish our corporate goals and specify the ways we measure our achievements.

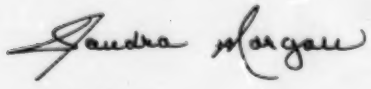
SLGA continued to support various social responsibility initiatives in 2001-02. We provided financial support and human resources to the province's designated driver program as well as programs that increase awareness of the dangers of drinking during pregnancy. We also supported a national campaign aimed at keeping alcohol from minors and other socially responsible liquor and gaming initiatives.

In the northern village of La Loche, we responded to concerns about injuries, litter and property damage associated with glass beer bottles in that community. A two-year pilot project to ban glass beer bottles in La Loche will be implemented in early April 2002. The pilot will be monitored on an ongoing basis to assess results.

SLGA's retail store employees continued to improve customer service during the past year. In-house product knowledge seminars, which give store employees a basic, but thorough, knowledge of alcohol products available in Saskatchewan, continued in 2001-02. Customers who shop at our stores around the province tell us that they appreciate the extra information our customer service representatives offer.

Our Community Liaison Branch continued its good work, reaching 1,387 liquor permittees and stakeholders during the past year. This Branch educates people about the rules and regulations regarding liquor permits used for weddings, reunions, community dances, and other events. By educating people in advance of such events, we anticipate there will be fewer compliance problems in the future.

These are some of our activities during the past year. I am confident SLGA will continue to build on these successes and initiatives in 2002-03 with the assistance and dedication of its employees located throughout the province.



Sandra Morgan
President & CEO

Strategic Direction

Our Mission

To distribute, control and regulate beverage alcohol and gaming products throughout Saskatchewan in ways that promote social responsibility, fairness and cost effectiveness.

Our Vision and Values

- Access by the public to liquor and gaming products, services and benefits is fair.
- Public use of liquor and gaming products is responsible.
- Revenues produced by liquor and gaming assist charities, businesses and the province to realize their goals.
- Our customer service is excellent, our business operations are progressive and mutual respect is practised among all employees.

Strategic Goals

- To provide and control equitable licensing and revenue opportunities to charities and business.
- To promote responsible use of liquor and gaming products.
- To promote and improve integrity in the liquor and gaming industries.
- To build responsive, co-operative relations with customers, interest groups and the public.
- To develop and maintain legislation and policy that is fair, clear and contemporary.
- To achieve net income targets through innovative revenue and expenditure strategies.
- To improve service, teamwork and business processes continuously throughout the Authority.

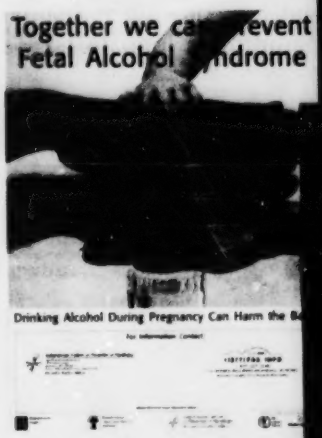
Social Responsibility

The Saskatchewan Liquor and Gaming Authority continued to guide and provide support to various social responsibility initiatives during 2001-02, including a continued role in anti-drinking and driving initiatives, and initiatives aimed at educating the public on the dangers of drinking alcohol during pregnancy. In addition, SLGA helped fund problem gambling prevention and treatment initiatives sponsored by Saskatchewan Health, and continued to provide training for servers in establishments with video lottery terminals (VLTs).

SLGA continued its *Please Bring Your I.D.* program, in co-operation with the liquor permittee industry and also participated in a national public awareness campaign focused on the importance of not selling alcohol to minors and not purchasing alcohol for minors.

Canadian Association of Liquor Jurisdictions (CALJ) Public Awareness Campaign

During 2001-02, SLGA participated in a national public awareness campaign focused on keeping alcohol from minors. This initiative was co-ordinated by the Canadian Association of Liquor Jurisdictions (CALJ) which represents liquor control agencies across the country.



The campaign featured the slogan "Minor Problem - Minors with a Problem" and focused on the importance of not selling alcohol to minors, and not purchasing alcohol for minors. The campaign included radio and print advertising and distribution of posters to the province's liquor stores, franchises, post-secondary institutions and schools.

Fetal Alcohol Syndrome Awareness

SLGA also continued its efforts to assist in the prevention of Fetal Alcohol Syndrome (FAS) in the province. FAS is caused by alcohol use during pregnancy, and leads to life-long learning and behavioural difficulties in affected children.

SLGA is a member of the Provincial FAS Co-ordinating Committee, chaired by the Saskatchewan Institute on Prevention of Handicaps. The Committee has representatives from a number of government agencies, as well as community and aboriginal groups.

During 2001-02, SLGA supported an FAS public awareness campaign which featured television advertising during September 2001, in recognition of International FAS Awareness Day on September 9; in November 2001, to coincide with National Drug and Alcohol Awareness Week; and in December 2001. The radio advertisement aired in November and December 2001, and was broadcast in English, Cree and Dene.

SLGA also funded some printing costs for a new full-colour poster for the program and will distribute the posters to all liquor stores and franchises in the province.

In May 2001, Saskatchewan hosted the Prairie Northern Conference on FAS in Saskatoon. This was the third annual conference planned by the Prairie Northern Partnership on FAS. The partnership is an alliance of Prairie provinces and Territories committed to the development, promotion and co-ordination of a comprehensive approach on the prevention of FAS, as well as the intervention, care and support of individuals affected by FAS. There are representatives in the partnership from Saskatchewan, Alberta, the Yukon, the Northwest Territories, Nunavut and Manitoba.

The partnership and conferences allow the provincial and territorial partners to learn from one another, and to share expertise and resource materials.

Liquor store bags and till tapes continue to display an FAS awareness message introduced in October 1997. The message states *Drinking Alcohol During Pregnancy Can Harm the Baby - We Have Fetal Alcohol Syndrome in our Community - Let's Find A Solution.*

Designated Driver Program

SLGA, in partnership with the Hotels Association of Saskatchewan (HAS), Saskatchewan Government Insurance (SGI) and Saskatchewan Health, funds a provincial designated driver program, *Have Someone for the Road*. SLGA has supported the program with annual funding since the program was established in 1995.

Have Someone for the Road promotes the message that individuals should not drink and drive, by encouraging groups to designate a driver. When visiting a participating liquor-permitted establishment, the designated driver receives a wristband or handstamp to identify him or her to the server. The driver receives free, non-alcoholic beverages, and in turn, ensures his or her group gets home safely.

The provincial program, which has also obtained private sector partnership, provides promotional materials to participating establishments below cost. The establishments display materials to promote the program, and provide non-alcoholic beverages to the designated driver. More than 300 establishments are currently promoting the program.

During 2001-02, the program continued its efforts to provide public awareness of this issue through radio advertisements and public service announcements delivered through many of the province's newspapers and television stations. New posters were also distributed to all liquor stores and participating establishments.

SLGA also promotes the responsible use of beverage alcohol through its retail outlets. Since 1995-96, liquor store bags and cash register tapes have carried the *Have Someone for the Road* designated driver message.

Identification Programs

The *Please Bring Your I.D.* program was launched in 1999, and updated in late 2001, to reflect the launch of new mandatory photo driver's licences in the province.

The program was developed by SLGA, with the co-operation and support of the HAS and the Canadian Restaurant and Foodservices Association. It was introduced as an interim measure to reduce the availability of alcohol to minors through the use of false identification. The program is mandatory in the province's liquor stores, and optional for the hospitality industry.

The program requires customers, if they are asked, to provide three pieces of valid identification. The accepted pieces are: driver's licence, birth certificate, treaty card/status card, debit card, Armed Forces identification card, baptismal certificate, university or college identification card (with photo), health card, social insurance card, credit card, citizenship certificate and passport. One of the three pieces must display the customer's birth date.

The *Please Bring Your I.D.* program was strengthened in March 2001, with the announcement of a new mandatory photo driver's licence for the province. The new licence was developed by a committee with representatives from SLGA, the liquor industry, and SGI to ensure that this form of identification, which is often used as proof of age in purchasing liquor, cannot be easily falsified or copied.

To ease the transition for Saskatchewan motorists, the program will be phased in over two years. In the first year, approximately 360,000 photos were taken - of those, 104,048 were for people 25 and under. It will be mandatory for all drivers to have the new photo driver's licence by June 1, 2003. There is no cost to the driver for the photo portion of the licence.

This SGI program is a very positive additional tool which aids efforts to limit the access of minors to alcohol. However, because not all customers have a driver's licence, and not all customers at the province's liquor stores are Saskatchewan residents, the *Please Bring Your I.D.* program will be continued. The program now indicates that a customer must have either the new SGI photo identification driver's licence, or three pieces of identification, as outlined above. If a customer does not have the SGI photo identification driver's licence, or three pieces of identification, that person cannot be served at the province's liquor stores.

It's Good Business

In 2001-02, for the fourth year, SLGA joined SGI, Saskatchewan Health, the Saskatchewan Tourism Education Council and Labatt Breweries in supporting another initiative to address the issue of alcohol problems. The *It's Good Business* server intervention program is co-ordinated by the education council. It trains servers in liquor-permitted establishments effective intervention techniques, if a patron demonstrates a problem with alcohol.

SLGA has a representative on the program's committee and contributes to its overall direction and activities.

Problem Gambling Prevention and Treatment Initiatives

As part of a multi-agency commitment to increase funding for problem gambling prevention and treatment initiatives in this province, SLGA has committed to help fund various problem gambling activities, including operation of the toll-free problem gambling help line and the Saskatchewan Responsible Gaming Association (SRGA). SRGA has a diverse membership which is committed to the ongoing development of programs and services to further the concept and actions of responsible gaming.

Problem gambling prevention, education and treatment programs in Saskatchewan are co-ordinated by the provincial Department of Health.

Responsible Use of VLTs

In administering the VLT program, SLGA is committed to its vision of the responsible public use of this gaming product. The VLT network is carefully controlled and regulated and VLTs are only allowed in age-restricted liquor-permitted establishments.

SLGA instituted a problem-gambling customer assistance training program in 1999, and continued it in 2001-02. The program requires one person from each VLT site to attend a one-day training session aimed at providing education on the issue of problem gambling, including: recognizing signs and symptoms, enhancing awareness of provincial and community programs, services and resources available, and providing tools to develop socially responsible business practices. SLGA held six VLT training sessions in 2001-02.

Customer Service

SLGA is committed to providing excellent customer service. The following services and initiatives are examples of this commitment.

The Moose Jaw Station Centre Liquor Store conducted 25 product tasting sessions in 2001-02.

Community Liaison Branch

The Community Liaison Branch was formed in 1999 to educate people about the rules and regulations regarding Special Occasion Permits. These permits are required for any event where alcohol is served. Permits are available from any Saskatchewan liquor store or franchise.

In its third year of operation, the Branch had contact with 1,387 permittees and stakeholders through presentations, meetings, workshops, training and consultations.

The community workshop has proven to be popular throughout Saskatchewan. The workshop deals with a specific event – such as a cabaret, homecoming or sports day – and involves all of the volunteers working the event. It's an opportunity for these volunteers to learn about issues such as regulations concerning minors, crowd control and signs of in· .ication.

The training function of the Branch is a new service. It is targeted at two groups – those who issue special occasion permits and those who regulate the events, such as law enforcement and regulatory agencies. This training includes a review of the different types of permits available, the qualifications necessary to obtain these permits as well as detailed information regarding regulations.

Communities and individuals have provided SLGA very positive feedback on the services provided by the Branch.

Helping Out in La Loche

Another significant customer service initiative in 2001-02 involved the northern community of La Loche. Village officials were concerned with the litter and injuries caused by broken glass beer bottles and came to SLGA for help solving the problem.

SLGA worked closely with the community as well as the Western Brewers Association, the RCMP, SARCAN, Saskatchewan Environment, commercial permittees in La Loche and community health officials to plan and prepare a pilot project that would ban the sale of beer in glass beer bottles in that community. The two-year pilot project was set to kick off April 1, 2002.

Confederation Park Liquor Store

Renovations to the Confederation Park Liquor Store in Saskatoon were completed in the fall of 2001. The renovations provide customers with a contemporary shopping environment that is clean, bright and attractive. The renovations have also substantially increased the retail space available for enhanced merchandising and marketing initiatives. The increase in retail space will also enhance operating efficiencies by reducing the amount of handling of products – more products will be on the shelves, instead of being warehoused.

Specialized Services

SLGA continued to provide unique shopping experiences for customers in 2001-02. In Moose Jaw, the Station Centre Liquor Store conducted 25 tastings for a variety of community groups and the general public. Sessions included Christmas liqueurs, Canadian wines, a champagne tasting in conjunction with New Year's and many more. These events give customers the opportunity to sample and learn about a variety of products available at the store.

Seventeen seminars and special events took place at the demonstration kitchen in the South Albert store in Regina in 2001-02, including a Cajun cooking class, a United Way fundraising lunch, a Ranch Ehrlo promotional dinner as well as Italian, Chilean, Australian, Spanish and French wine seminars. The kitchen also provided numerous opportunities for Regina restaurateurs to showcase their dining rooms by having their chefs demonstrate food and wine pairings and prepare specialty menu items made with alcohol.

The bulk wine bottling facility at the Normanview store in Regina provides consumers with a convenient alternative to producing wine at home. Customers can choose from a selection of six different products which they bottle, label and cork themselves at the store. Customized labels are also available and are very popular for events such as weddings, anniversaries and retirements.

Product Knowledge

Customers are becoming more sophisticated and demanding when it comes to information regarding products available through SLGA stores. In order to meet these increased needs, retail store staff continue to attend in-house product knowledge training programs – 530 staff received this training in 2001-02. These sessions give employees a basic, thorough knowledge of the beverage alcohol products available in the province. Such customer service training programs are becoming commonplace in other jurisdictions in Canada.

The bulk wine bottling facility at the Normanview Liquor Store in Regina provides a convenient alternative to producing wine at home.

Liquor

The Saskatchewan Liquor and Gaming Authority operates 81 liquor stores throughout Saskatchewan.

SLGA operates 81 liquor stores in 64 communities across the province. In addition, SLGA has granted more than 190 small businesses in rural Saskatchewan a franchise to sell beverage alcohol on its behalf. These franchises are located in communities where it is not feasible to have a provincial liquor store. There are also 490 off-sale outlets across the province licensed to sell beer, wine and coolers.

SLGA also oversees the operation of three duty free shops located in the Saskatoon and Regina airports and at the North Portal border crossing.

Sales

Liquor sales volume rose 3.4 per cent this fiscal year, marking the eighth consecutive year that sales have increased.

Beer, the largest volume category, realized growth of 3.1 per cent and contributed significantly to the overall increase in sales. Similarly, refreshment beverages, comprised primarily of coolers and ciders, enjoyed considerable success with growth of 25 per cent. Spirit-based coolers, up 30.1 per cent, accounted for the greatest share of the increase in the refreshment beverage category.

Overall wine sales grew 1.8 per cent. This was largely due to a 5.8 per cent rise in red table wine volume and a 19 per cent jump in the relatively new flavoured wine sector.

Spirit sales remained stable during the past year. White spirits, most notably vodka, up 2.6 per cent, and dry gin, up 7.7 per cent, helped to offset the continued decline in popularity of the high volume Canadian Whisky category.

Listings and Distribution

General listings in SLGA's listing base rose to 1,060 compared to 1,041 in the previous year. The specialty listing base, with an emphasis on fine wine, remained relatively constant at 725.

Domestic beer listings increased to 323 from 285 in the previous year as brewers continued to launch new brands and assorted packaging formats. Imported beer listings decreased to 27 during the year, compared to 30 in the previous year.

The Distribution Centre, located in Regina, processed 12,040 orders last year at an average of 158 cases of product per order for stores and 24 cases per order for franchises. This translates into approximately 2.4 million cases of product handled by the warehouse in 2001-02.

The past year also saw the closing of the Airport Liquor Store in Regina. This store, opened in December 2000, was operated as a one-year pilot project at the request of the Regina Airport Authority. Lower than anticipated customer traffic, which further declined after the events of September 11, hampered the successful operation of the store and led to its closure February 2, 2002.

Liquor Permit Administration

SLGA regulates the sale of liquor through the use of Commercial and Special Occasion Permits. All permanent and seasonal liquor establishments, such as bars, restaurants and brew pubs, as well as anyone serving alcohol at special events, must be permitted by SLGA.

There were 1,687 commercial liquor permits issued in 2001-02, a decrease of 26 from the previous year. Although the number of tavern and special use permits remained relatively stable at 882, the number of restaurant permits decreased from 804 to 777.

A redesign of the liquor permit application package began during the past year. The application package, which will streamline the existing process, resulted from requests by the hospitality sector to simplify the current permit application procedures. The package is expected to be completed and ready for use in late 2002.

Work also continued on the new Liquor Permittee Manual. This project includes updating policies pertaining to the operation of all commercial type establishments throughout the province. The manual will be finalized and distributed to all permit holders in late 2002.

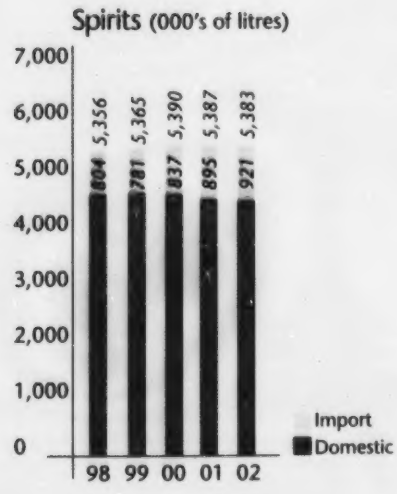
Special Occasion Permits

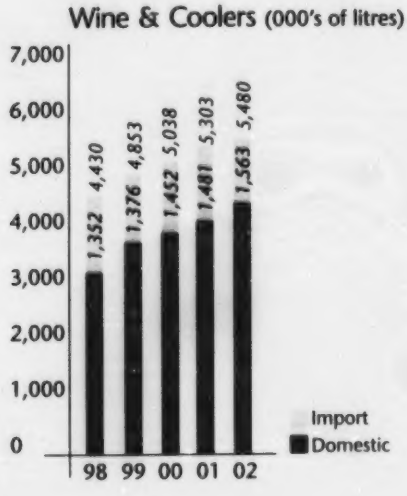
Special occasion permits are required for anyone serving alcohol at a special event, such as a wedding, cabaret or fundraiser. There were 18,308 permits issued in 2001-02, a decrease of 2,025 from the previous year, largely due to a decrease in sale permits. Sale permits are primarily issued for fundraising events such as dances or cabarets.

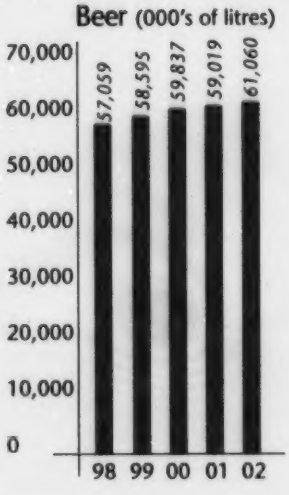
Saskatchewan has one of the most diverse distribution systems for beverage alcohol retailing in Canada. There are 81 government liquor stores, more than 190 franchises operating from small businesses in rural Saskatchewan and more than 490 off-sale outlets. This diverse system allows SLGA to provide excellent service to all consumers in a socially responsible manner and use the revenue generated to support areas such as highways, health care and education.

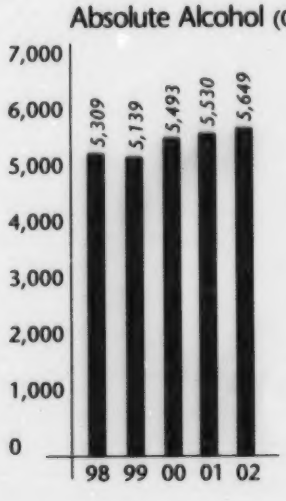
Overall wine sales were up in 2001-02, largely due to a rise in red table wine sales and the relatively new flavoured wine sector.

Volume of Sales - Five Year History
Financial years ending March 31



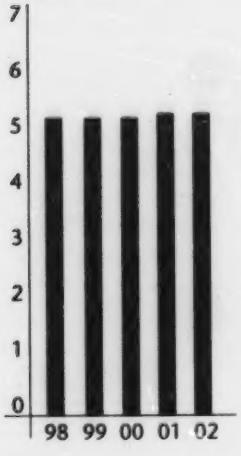




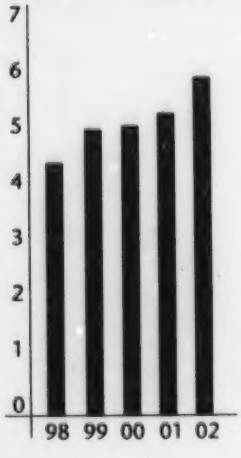


Per Capita Sales - Five Year History
Financial years ending March 31

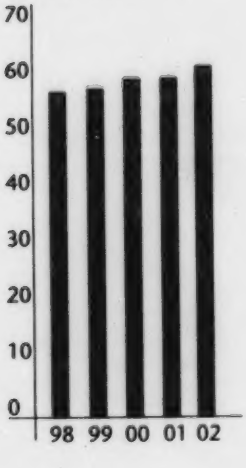
Spirits (litres)



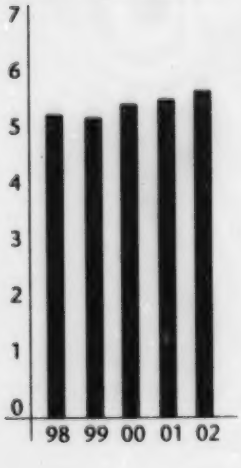
Wine & Coolers (litres)



Beer (litres)



Absolute Alcohol (litres)



Gaming

The Saskatchewan Liquor and Gaming Authority regulates most gaming activities in Saskatchewan. This includes casino gaming, video lottery terminals, charity gaming (bingos, breakopen tickets, raffles) and horse racing.

Casinos

SLGA regulates both liquor and gaming activities at all casinos in the province. Table games and slot machines are offered at five casinos: Casino Regina and the four First Nations casinos. Casinos operated by exhibition associations offer table games and video lottery terminals (VLTs).

Casino Regina

Casino Regina opened in January 1996 and is operated by the Saskatchewan Gaming Corporation (SGC), a Treasury Board Crown Corporation established in June 1994.

As of March 31, 2002, the casino employed 607 employees, 53 per cent of whom are of Aboriginal heritage.

Net profits from Casino Regina are split, with 50 per cent of revenues retained by the government's General Revenue Fund, 25 per cent provided to the First Nations Fund and 25 per cent provided to the Community Initiatives Fund. (Profit figures for Casino Regina are detailed in the Saskatchewan Gaming Corporation's annual report).

In July 2001, SGC announced the development of a new casino. Casino Moose Jaw is expected to open in the fall of 2002.

First Nations (SIGA) Casinos

Saskatchewan has four First Nations casinos, created through an agreement between the government and the Federation of Saskatchewan Indian Nations (FSIN). This arrangement, outlined in the February 1995 Framework Agreement, provided for the establishment of the four casinos, and led to the creation of the Saskatchewan Indian Gaming Authority (SIGA), which is licensed by SLGA to operate the casinos. SLGA owns and operates the slot machines at the four SIGA casinos.

SIGA operates the following casinos:

Gold Eagle Casino – opened February 1996 in North Battleford
Northern Lights Casino – opened March 1996 in Prince Albert
Bear Claw Casino – opened November 1996 on the White Bear First Nation
Painted Hand Casino – opened December 1996 in Yorkton

As of March 31, 2002, SIGA casinos employed approximately 1,107 people, 68 per cent of whom are of Aboriginal heritage. In 2001-02, SIGA recorded a net profit of approximately $24.8 million. Net profits from SIGA casinos are split, with 37.5 per cent of net revenues provided to the government's General Revenue Fund and 37.5 per cent provided to the First Nations Fund. The remaining 25 per cent is directed to Community Development Corporations.

In July 2001, the government announced that SIGA had met all eight "significant progress benchmarks" that SIGA was required to achieve before Gaming Framework Agreement negotiations between the Government and the FSIN would resume and before any negotiations related to the expansion of gaming would occur. This achievement gave government a strong indication of SIGA's commitment to achieving and sustaining progress.

The Provincial Auditor has recognized the progress SLGA and SIGA have made regarding this issue. In his 2001 Fall Report, the auditor said Liquor and Gaming has made significant progress in improving the management of public money under control of SIGA. The report also stated that SIGA has made significant progress toward achieving the priorities set by SLGA.

Exhibition Casinos

The province's exhibition casinos generally operate on a temporary basis, in conjunction with annual events such as fairs or exhibitions. This year, one temporary casino licence was issued for a four-day summer fair held in Swift Current. Two of the province's exhibition casinos continue to operate on a permanent basis: Emerald Casino, located in Saskatoon and operated by the Saskatoon Prairieland Exhibition Corporation and Golden Nugget Casino, located in Moose Jaw and operated by the Moose Jaw Exhibition Association.

Emerald Casino was open 362 days and Golden Nugget Casino was open 206 days in 2001-02. Golden Nugget Casino is scheduled to close in 2002.

VLT Program

The VLT program was initiated in 1993. The hospitality industry was concerned that local businesses, especially in rural Saskatchewan, were being hurt by the Saskatchewan people going to play VLTs in neighbouring jurisdictions. Introduction of the VLT program supported the rural communities by providing an additional form of entertainment for local liquor-permitted hotels and restaurants.

As of March 31, 2002, there were 3,536 VLTs in 682 sites located in 332 communities in the province.

In 2001-02, site contractor revenues were $35.6 million, up from $34.6 in 2000-01. Provincial net VLT revenues increased to approximately $180.8 million, an increase of approximately $500,000 from 2000-01.

A redistribution program introduced in 1997 reviews the financial performance of the VLTs to ensure each site is matched with an appropriate number of machines for its level of customer interest. The last redistribution was conducted in 2001-02. In order to reduce the waiting list for VLTs, this redistribution reduced the minimum number of VLTs per site from three to two machines. The maximum number of VLTs per site remains at 12.

During the year, SLGA proceeded with a process to replace the VLTs and the central computer system, which are approximately nine years old. The VLTs are becoming increasingly difficult to maintain due to obsolescence of replacement parts and extended wear and tear. The existing central system software is also antiquated and becoming difficult to support. Replacement of the VLTs and upgrade of the central computer will begin in late fiscal 2002.

In March 2002, the Province announced that the provincial cap for the VLT network will increase from 3,600 to 4,000 machines.

Video Lottery Terminals

April 1, 2001– March 31, 2002

	(In Millions)	(In Millions)
Dollars Deposited	$707.1	
Value of Credits Played		$2,985.2
Value of Credits Won (Prizes)		$2,760.4
Dollars Cashed Out	$480.4	
Gross Revenue	$226.7	

Average Prize Payout =

$$\frac{\text{Value of Credits won (Prizes)}}{\text{Value of Credits Played}} = \frac{\$2,760.4}{\$2,985.2} = 92.5\%$$

Charitable Gaming

The total number of licences issued in 2001-02 was 4,305, down from 4,457 in 2000-01. Approximately $184 million was spent on bingo, breakopen tickets, and raffles, compared to $179.7 million in 2000-01. Saskatchewan charities received approximately $38.2 million from these fundraising activities last year, compared to $37.9 million in 2000-01.

Breakopen Tickets

Breakopen ticket sales increased from $37.1 million in 2000-01 to $44.8 million in 2001-02. Charity revenues also increased from $6.8 million in 2000-01 to $8.7 million in 2001-02.

During the year, SLGA amended the financial reporting requirement for breakopen tickets. Licensees are no longer required to submit quarterly breakopen reports because purchase information is being submitted monthly by Western Gaming Systems. Licensees are only required to submit a closing inventory report upon the expiration of their breakopen licences. This has reduced the licensee reporting requirements and allowed SLGA to better monitor charity breakopen revenues.

The hospital breakopen program saw a decrease in sales from $10.2 million in 2000-01 to $7.3 million in 2001-02. This is largely due to a decline in participating sites. SLGA is reviewing options to enhance the hospital breakopen program to ensure this revenue source for Saskatchewan hospitals.

The video lottery terminal program was initiated in 1993 at the request of the hospitality industry. It was concerned that local businesses, especially in rural Saskatchewan, were being hurt by Saskatchewan people going to play VLTs in neighbouring jurisdictions. Introduction of the VLT program supported the rural communities by providing an additional form of entertainment for local liquor-permitted hotels and restaurants.

Bingo

The bingo market saw a decrease in gross revenue over the previous year. Gross bingo sales for 2001-02 were approximately $115.1 million compared to $118.9 million in 2000-01. Charity revenues were $21.9 million in 2001-02 compared to $22.9 million in 2000-01.

SLGA's Licence Administration Branch is working with industry representatives to develop a strategic plan to guide the future direction of the bingo industry. SLGA hosted a provincial workshop in Saskatoon in March 2002 to discuss the bingo industry in Saskatchewan. More than 90 participants, representing 31 sites, attended. The workshop was considered a success and from this, an ongoing Industry Strategic Planning Committee was formed. This committee is scheduled to meet on an ongoing basis in order to develop a plan to assist in stabilizing the charitable bingo market.

Raffles

The raffle market saw an increase in gross sales from $23.5 million in 2000-01 to $24.1 million in 2001-02. The charity revenue for raffles declined from $8.3 million in 2000-01 to $7.6 million in 2001-02.

The large raffle market, which includes raffles with a prize value greater than $100,000, increased slightly during the past year. In 2000-01, 18 large raffle licences were issued; 23 were issued in 2001-02. A total of 620 licences were issued for all types of raffles in 2001-02; 602 were issued in 2000-01.

Horse Racing

SLGA's Horse Racing Branch is responsible for the regulation and supervision of all pari-mutuel wagering on live horse racing in Saskatchewan. Live horse racing is held at Queensbury Downs in Regina and Marquis Downs in Saskatoon, and at the Yorkton Agricultural and Industrial Exhibition in the fall.

In 2001-02 at Queensbury Downs, the Regina Exhibition Association chose to run a split meet for the standardbred industry, as part of a circuit with Manitoba. This allowed the horsemen the opportunity to participate in a spring and fall meet in Regina, as well as the Manitoba standardbred horse meet. Marquis Downs in Saskatoon held live thoroughbred and quarter horse races from May 5 to September 22, 2001.

Grants

The Horse Racing Branch provides grants to various horse racing industry groups to help maintain the industry. Under the grant system, pari-mutuel tax collected on wagering is returned in the form of grants for stake races, purse support and other programs.

In 2001-02, the grant program returned $1.53 million to the industry. This compares to $1.66 million the previous year.

Wagering/Handle

The provincial handle includes amounts wagered at Marquis Downs in Saskatoon, Queensbury Downs in Regina and all simulcast and teletheatre bets. The provincial handle in 2001-02 was $13.9 million, up slightly from $13.7 million in 2000-01.

Live and simulcast wagering at Marquis Downs and teletheatres in Saskatoon was $6.3 million, down from $6.6 million. Live and simulcast racing in Regina saw approximately $5.1 million wagered in both 2000-01 and 2001-02.

Live racing generated $913,495 in 2001-02, a small increase from $900,303 the previous year.

Provincial Horse Inventory

	Thoroughbred	Quarter Horse	Standardbred
Number of Horses	347	57	256
Number of Starts	1691	110	1963
Saskatchewan Bred	118	9	36
Saskatchewan Owned	316	24	123
Average Starts/Horse	4.87	1.9	7.6

Number of Races With	8 horses or more	7 horses/race	6 horses/race	5 horses or less
Thoroughbred	57	61	75	94
Quarter Horse	1	4	8	8
Standardbred	111	92	34	22

Compliance

SLGA's compliance branches work in conjunction with law enforcement and other regulatory agencies in order to ensure greater effectiveness and efficiency in monitoring both liquor and gaming activities throughout the province.

The Inspection Services Branch is responsible for ensuring licensed liquor and gaming establishments, charitable organizations, and special occasion permittees comply with *The Alcohol and Gaming Regulation Act*, and the Terms and Conditions associated with each licence.

The Branch reviews casinos, the province's 1,700 permitted outlets, VLT operations, charitable gaming activities, special occasion permits, and horse racing by conducting comprehensive site inspections and investigating complaints. The Branch also reviews SLGA liquor store security.

Another responsibility of the Inspection Services Branch is registering all gaming employees in the province, as well as companies and individuals wishing to supply gaming and non-gaming goods and services in Saskatchewan. In 2001-02, the Branch registered 2,451 gaming employees and 75 suppliers of gaming and non-gaming goods and services.

Also in 2001-02, the Branch conducted 1,989 investigations into complaints and infractions, and had 9,546 contacts with licensed establishments and the public. Of these contacts, 609 were investigations and consultations related to the registration of gaming employees, and the registration of suppliers of gaming and non-gaming goods and services.

The Branch continues to work closely with law enforcement and other regulatory agencies, including those in other jurisdictions.

The Audit Services Branch ensures the financial activities of the industry are monitored and that these activities meet the required standards established by SLGA. A number of investigations are conducted in co-operation with law enforcement and other regulatory agencies. SLGA also works closely with the Provincial Auditor's Office.

In 2001-02, the Audit Services Branch conducted audits of two of the province's First Nations casinos and one exhibition casino. The Branch also conducted several reviews of SIGA's compliance with the directives issued by SLGA following the SIGA special audit conducted in 2000. The Branch is conducting more frequent audits of SIGA casinos and helping review the suitability of more prospective gaming suppliers applying for registration in the province.

The Audit Services Branch audited liquor and gaming activities in the province during the fiscal year, and improved and expanded its consultative services to the organization and the industry. Consultative services included supporting the Licence Administration Branch in providing information on financial reporting and banking standards to the licencees at bingo association annual meetings, and assisting in the development of controls for the replacement of two internal computer systems at SLGA.

In addition, Audit Services continues to evaluate its role as a service provider to its clients. In that regard, the Branch has undergone a review of its internal audit and management processes with regard to setting priorities, allocating resources to meet those priorities, and documenting the policies and procedures for performing audits and reviews.

Internal Operations

The Liquor and Gaming Authority strives to carry out its mission through excellent customer service and progressive business operations, in an environment of mutual respect. During 2001-02, the Authority took a number of actions to ensure continuous improvement in these areas.

Employees are the key resource of the Liquor and Gaming Authority. As of March 31, 2002, SLGA employed 832 staff in 64 communities throughout the province – 378 permanent, 435 part-time and 19 casual employees. Seventy-three per cent of SLGA employees (201 permanent, 392 part-time and 15 casual), were employed in the liquor store system.

SLGA is committed to being a progressive workplace with a representative workforce. A foundation of this goal is creating a corporate culture that will make SLGA a workplace of choice for current and prospective employees. This corporate culture is described as one of "excellent customer service, progressive business operations and an environment of mutual respect among all employees," and is identified in its leadership vision as an organization where all staff "consistently demonstrate and inspire in others honesty, respect, trust and a positive, helpful attitude."

Since 1997, more than 575 employees have taken the opportunity to learn about the concepts of personal choice, self-responsibility, accountability and self-evaluation through the Leadership Development Program. During 2001-02, SLGA offered workshops to provide continuing leadership skills development to staff who have completed the introductory Leadership Development workshop. In addition, several employees completed the first Lead Management Development Program, taking part in a series of related workshops and development activities that build upon and strengthen Leadership Development principles and skills and build leadership capacity across SLGA. A second Lead Management Program is under way.

Leadership development is also playing a vital role in SLGA's commitment to develop an inclusive and diverse workplace. It is building an environment of mutual respect that assists in two key corporate objectives – the implementation of initiatives under the Aboriginal Partnership Agreement (including cultural awareness education for all staff and initiatives to promote the hiring and retention of Aboriginal employees) and development of a joint Employment Equity Plan. During 2001-02, the joint union-management Employment Equity Committee delivered information sessions to all employees, and conducted a staff survey to assist in developing plans to achieve a representative workforce.

SLGA also participated in two career fairs targeted towards increasing training and employment opportunities for Saskatchewan youth.

In 2001-02, SLGA management continued to build upon the foundation of the strong working partnership it is developing with the Saskatchewan Government and General Employees Union (SGEU). Following on the heels of the negotiation of the first amalgamated collective agreement, SLGA management and SGEU negotiated a new collective agreement effective until 2004. Implementation of this new collective agreement will proceed with a collaborative approach through the use of joint committees to deal with a number of commitments.

SLGA, along with the Saskatchewan Indian Federated College (SIFC), the Saskatchewan Gaming Corporation (SGC) and the Saskatchewan Indian Gaming Authority (SIGA) formed a strategic alliance in 2001-02 to develop a Gaming Administration and Casino Management Program. The first class in the program, *Introduction to the Gaming Industry*, was offered during the 2001 fall semester.

A new division focused on gaming was created in 2001-02. This organizational change was made to reflect the increased role of gaming in SLGA's business and mandate. Previously, gaming fell within the Licensing Division. The creation of two new divisions – Gaming Operations and Regulatory Compliance – will allow staff to more efficiently focus on these two distinct areas. Employees from the Licensing Division were reorganized to staff the two new divisions.

During the past year, the Policy and Planning Division began its role to lead and co-ordinate corporate planning and performance measurement, policy development and analysis, research and evaluation, and legislative services. Creation of the Division early in 2001 focused existing resources that were previously spread throughout SLGA, while adding capacity to better meet corporate planning and policy needs. As an internal service, the Division's mandate is to support the corporation in meeting its vision, mission and objectives, primarily through partnering with stakeholder groups, communities and other government agencies.

Key activities for the Policy and Planning Division included leading negotiations with the FSIN toward a renewed gaming partnership with the province, co-ordinating development and implementation of the beer bottle pilot project in La Loche, co-ordinating amendments to *The Alcohol and Gaming Regulation Act*, and working with stakeholders to implement Community Development Corporations which return a portion of SIGA casino gaming profits to community groups. Division staff also led SLGA in the development of the corporation's first formal, corporate-wide strategic plan and performance measurement system.

In 2001-02, work continued on technology projects that are key to enabling SLGA business units to meet their goals. The Product Inventory and Sales Management System (PRISM) project, targeted for implementation in the first quarter of 2002-03, included a complete business process analysis. PRISM will use technology to improve productivity in the distribution warehouse and retail stores. Also in the stores, SLGA implemented a point-of-sale scanning system in 2001-02. This system will increase efficiency by allowing the scanning of products rather than the manual system used previously. Point-of-sale scanning systems are now being used by many Canadian liquor jurisdictions and suppliers.

Another technology project currently under way is the development of on-line charitable gaming licensing forms and regulations to improve and streamline access for SLGA clients and stakeholders.

The Saskatchewan Liquor and Gaming Authority employs more than 800 staff in 64 communities throughout the province. Approximately 73 per cent of these employees work in the liquor store system.

Financially, SLGA's net income for 2001-02 was $318 million, among the highest annual revenue recorded for SLGA. This money, generated through liquor and gaming activities in the province, flows to the provincial General Revenue Fund to help pay for essential programs and services like highways, health care and education which benefit all Saskatchewan people.

Five Year Financial Review

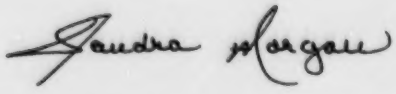
	1997-98 (000's)	1998-99 (000's)	1999-00 (000's)	2000-01 (000's)	2001-02 (000's)
Sales:					
Liquor Sales					
Spirits					
Canadian	$ 109,567	$ 113,900	$ 114,437	$ 114,012	$ 115,802
Imported	21,769	21,418	22,973	24,761	25,999
	131,336	135,318	137,410	138,773	141,801
Wines and Ciders					
Canadian	14,872	15,248	15,920	15,989	16,146
Imported	13,164	13,845	15,452	15,790	16,742
	28,036	29,093	31,372	31,779	32,888
Beer, Ale and Stout					
Canadian	149,636	155,155	158,687	162,823	170,614
Imported	1,835	2,294	2,373	2,747	1,903
	151,471	157,449	161,060	165,570	172,517
Allied Sales	79	103	142	225	351
Total Liquor Sales	310,922	321,963	329,984	336,347	347,557
VLT Sales	186,853	199,301	214,845	224,860	226,690
Total Sales	497,775	521,264	544,829	561,207	574,247
Cost of Sales	(188,204)	(196,206)	(204,157)	(210,775)	(219,968)
Gross Profit	309,571	325,058	340,672	350,432	354,279
Operating Expense	(50,099)	(51,314)	(50,573)	(54,581)	(61,223)
Other Income	6118	10,937	10,785	7,405	3,311
Casino Income	22,342	17,000	13,374	18,643	24,835
Operating Income	287,932	301,681	314,078	321,899	321,202
Federal Tax Expense (GST)	(2,781)	(2,752)	(2,747)	(2,897)	(2,919)
Net Income	285,151	298,929	311,331	319,002	318,283
Beginning Retained Earnings	482,742	417,893	386,822	698,153	943
Transfer to General Revenue Fund	(350,000)	(330,000)	0	(1,016,212)	(315,710)
Ending Retained Earnings	$ 417,893	$ 386,822	$ 698,153	$ 943	$ 3,516

Management's Report

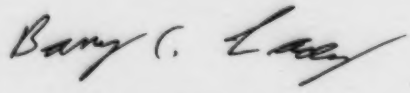
The accompanying financial statements, and related financial information throughout the Annual Report, have been prepared by management using Canadian generally accepted accounting principles. Management is responsible for the integrity, objectivity and reliability of the financial statements.

Management of the Authority has established and maintains a system of internal controls that provides reasonable assurance that transactions are recorded and executed in compliance with legislation and authority; assets are safeguarded; there is an effective segregation of duties and responsibilities; and, reliable financial records are maintained. An auditing function exists within the Authority which objectively assesses the effectiveness of internal controls.

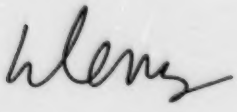
The Provincial Auditor has examined the Authority's financial statements. The Auditor's Report to the Members of the Legislative Assembly of Saskatchewan expresses an independent opinion of the fairness of presentation of the Authority's financial statements in accordance with Canadian generally accepted accounting principles.



Sandra Morgan
President & CEO



Barry Lacey, CMA, CA
Vice-President, Corporate Services



Wes Mazer, CMA
Manager, Financial Services

Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Liquor and Gaming Authority as at March 31, 2002 and the statements of operations and retained earnings, and cash flows for the year then ended. The Authority's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred Wendel, CMA, CA
Provincial Auditor
Regina, Saskatchewan
June 20, 2002

LIQUOR AND GAMING AUTHORITY
STATEMENT OF FINANCIAL POSITION
As at March 31

	2002 (000's)	2001 (000's)
ASSETS		
Current assets:		
Cash	$ 1,210	$ 1,765
Due from General Revenue Fund (Note 3)	34,236	13,867
Accounts receivable (Note 7)	24,850	20,382
Prepaid expenses	2,301	1,813
Inventories (Note 5)	14,300	14,593
	76,897	52,420
Capital assets (Note 6)	32,732	31,818
Deferred goods and services tax (Note 8)	381	557
	$ 110,010	$ 84,795
LIABILITIES AND RETAINED EARNINGS		
Current liabilities:		
Accounts payable	$ 10,811	$ 11,422
Payable to General Revenue Fund (Note 4)	66,297	46,012
Goods and Services Tax payable (Note 8)	4,948	2,484
Accrued pension liability (Note 9)	24,438	23,934
	106,494	83,852
Retained earnings (Statement 2)	3,516	943
	$ 110,010	$ 84,795

Commitments (Note 10)

(See accompanying notes to the financial statements)

Statement 2

LIQUOR AND GAMING AUTHORITY
STATEMENT OF OPERATIONS AND RETAINED EARNINGS
For the Year Ended March 31

	2002 Budget (000's) (Note 13)	2002 Actual (000's) (Note 17)	2001 Actual (000's)
Revenues:			
Liquor sales (Note 11)	$ 338,740	$ 347,557	$ 336,347
VLT	229,000	226,690	224,860
SIGA slot machine (Note 14)	64,275	67,348	64,208
Other income (Schedule 2)	4,517	3,311	7,405
	636,532	644,906	632,820
Direct expenses:			
Cost of liquor sales	174,903	184,329	176,161
VLT site commission	35,400	35,639	34,614
	210,303	219,968	210,775
Operating expenses (Schedule 1):			
VLT, Liquor, and Other Gaming	68,770	64,142	57,478
SIGA slot machine	43,773	40,930	43,338
SIGA table and ancillary operation losses (Note 15)	1,022	1,583	2,227
	113,565	106,655	103,043
Net income for the year	$ 312,664	318,283	319,002
Retained earnings, beginning of year		943	698,153
		319,226	1,017,155
Transfer to General Revenue Fund (Note 4)		315,710	1,016,212
Retained earnings, end of year - to Statement 1		$ 3,516	$ 943

(See accompanying notes to the financial statements)

LIQUOR AND GAMING AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2002 (000's)	2001 (000's)
Cash flows from operating activities:		
Cash receipts from customers	$ 640,302	$ 619,339
Interest received	136	4,153
Cash paid to suppliers and employees	(306,037)	(289,755)
Goods and services tax paid (Note 8)	(10,038)	(13,607)
	324,363	320,130
Cash flows from investing activities:		
Purchase of capital assets	(9,124)	(7,269)
Cash flows from financing activities:		
Cash deposited in General Revenue Fund (Note 4)	(295,425)	(339,000)
Net increase (decrease) in cash	19,814	(26,139)
Cash, beginning of year	15,632	41,771
Cash, end of year	$ 35,446	$ 15,632
Cash consists of:		
Cash	$ 1,210	$ 1,765
Due from General Revenue Fund	34,236	13,867
	$ 35,446	$ 15,632

(See accompanying notes to the financial statements)

LIQUOR AND GAMING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2002

1. Description of Business

The Liquor and Gaming Authority operates under the authority of *The Alcohol and Gaming Regulation Act*. The Authority's mandate is to support, develop and regulate the Saskatchewan liquor and gaming industries and to maximize public benefit through high quality services and products.

The Authority operates retail liquor stores and video lottery terminals. The Authority conducts and manages the megabingo program (discontinued effective June 2001) and the breakopen vending machine program in the province. It also owns and manages the slot machines at Saskatchewan Indian Gaming Authority's (SIGA) casinos. SIGA's slot machine revenue and expenses are included in these financial statements.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant policies, which have been adopted, are described below.

(a) Revenue

Liquor Sales

Sales are recorded net of returns, container deposits, GST, Liquor Consumption Tax and discounts.

Licence Fees

The Authority charges liquor and gaming licence fees which are recorded when the licence is approved. Exhibition casino licence fees levied are based on the net revenue generated by the exhibition casinos. The Authority records these fees as the exhibition casinos generate net revenue.

Video Lottery Terminals (VLT)

Revenue is recorded net of prize payouts.

SIGA Slot Machines

Revenue from casino slot machines are recorded net of prizes paid out and accruals for anticipated amounts to be paid out for progressive jackpots.

(b) VLT Site Commission

Establishments where VLTs are located are entitled to commission based on 15% of the VLT revenue earned. The commission is recorded as the VLT revenue is earned.

(c) Inventories

Inventories of wine, coolers, spirits and beer are valued at the lower of cost and net realizable value.

(d) Capital Assets

Capital assets are stated at cost less accumulated amortization. Assets are amortized commencing in the year which assets are placed in service using a straight-line basis at rates designed to allocate the cost of the capital assets over their estimated useful lives. Rates are as follows:

Buildings	2.5 - 5% per annum
Equipment	15 - 33% per annum
VLTs & Slots	20% per annum

Leasehold improvements are amortized over the term of the lease.

(e) Pension Expense

The cost of the pension benefits earned by employees who are members of the Authority's defined benefit plan, known as the Liquor Board Superannuation Plan, is determined using the projected benefit method prorated on service. The amount of the expense reflects management's best estimate of the plan's expected investment performance, salary escalation, mortality of members, terminations, the ages at which members will retire and ad hoc increases, based upon the Consumer Price Index, to be granted by the Lieutenant Governor in Council.

The discount rate used to determine the accrued benefit obligation was determined by reference to market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and the amount of expected benefit payments. Pension plan assets are valued at fair value (market value) for the purposes of calculating the expected return on plan assets. The net actuarial gain (loss), transitional obligation resulting from adoption of new accounting rules in 2001, and plan amendments are amortized beginning in the year they arise over the expected average remaining service life of members of the defined benefit plan.

The Authority also has employees who are members of a defined contribution pension plan. Employee contributions are matched by the Authority and expensed in the period made.

(f) Grants

Grants are recognized when approved and eligibility criteria, if any, have been met.

3. Due from General Revenue Fund

Most of the Authority's bank accounts are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan. During the year, the General Revenue Fund did not pay interest on the Authority's bank accounts.

4. Disposition of Retained Earnings

Subsection 175(5) of *The Alcohol and Gaming Regulation Act (Act)* allows the Authority to provide interest free advances to the Minister of Finance for deposit in the General Revenue Fund (GRF) until the Treasury Board determines the disposition of the Authority's retained earnings. Under subsection 175(1) of the Act, the Treasury Board may, at any time, direct that all or any portion of the Authority's retained earnings be transferred to the GRF. The Treasury Board has directed the Authority to transfer $315,710 (2001 - $1,016,212) to the GRF pursuant to subsection 175(1) of the Act. At March 31, amounts payable to the GRF were determined as follows:

	2002 (000's)	2001 (000's)
Payable to GRF at beginning of year	$ (46,012)	$ 631,200
Deposits during the year pursuant to subsection 175(5)	295,425	339,000
Transfer to General Revenue Fund pursuant to subsection 175(1)	(315,710)	(1,016,212)
Payable to GRF at end of year	$ (66,297)	$ (46,012)

5. Inventories

	2002 (000's)	2001 (000's)
Wines, coolers and spirits in stores	$ 6,654	$ 6,989
Wines, coolers and spirits in warehouse	6,934	6,990
Beer in stores	712	614
	$ 14,300	$ 14,593

6. Capital Assets

	2002			2001		
	Cost (000's)	Accumulated Amortization (000's)	Net Book Value (000's)	Cost (000's)	Accumulated Amortization (000's)	Net Book Value (000's)
Sites	$ 2,276	$ —	$ 2,276	$ 2,321	$ —	$ 2,321
Buildings	22,025	10,652	11,373	21,457	9,939	11,518
VLTs	33,850	33,244	606	34,137	33,460	677
Slots (see Note 14)	11,239	9,705	1,534	10,998	8,492	2,506
Furniture & equipment	27,139	14,049	13,090	23,644	11,645	11,999
Leasehold improvements	7,552	3,699	3,853	5,998	3,201	2,797
	$ 104,081	$ 71,349	$ 32,732	$ 98,555	$ 66,737	$ 31,818

7. Accounts Receivable

	2002 (000's)	2001 (000's)
SIGA slot machine receivable	$ 19,481	$ 14,865
VLT receivable	4,062	3,971
Other	1,307	1,546
	$ 24,850	$ 20,382

8. Goods and Services Tax

The Authority is on the prescribed list of lottery corporations pursuant to Section 188 of the Federal *Excise Tax Act*. In lieu of collecting GST on VLT and slot revenue at the retail level, the Authority calculates and remits GST according to a formula prescribed by Canada Customs and Revenue Agency.

The formula requires the Authority to pay 14% on the purchase of taxable goods and services related to gaming programs and 7% on VLT site contractor commissions. One-half of the GST paid on gaming program capital assets is set up as a deferred tax and is amortized on a straight-line basis over the useful life of those capital assets.

The Authority also pays GST to the Canada Customs and Revenue Agency and claims input tax credits on all its liquor and other taxable purchases.

9. Pension Plan

The Authority sponsors a defined benefit plan and a defined contribution plan covering substantially all of its employees. The defined contribution plan is the Public Employees Pension Plan. During the year, the Authority paid to the defined contribution plan a total of $977,483 (2001 - $907,323) as matching contributions.

The Liquor Board Superannuation Commission administers the defined benefit plan, Liquor Board Superannuation Plan (Plan). This Plan has been closed to new members since 1977.

Aon Consulting Inc performed the valuation of the Plan as at December 31, 1999 and extrapolated the valuation to December 31, 2000 and December 31, 2001. The following significant assumptions were adopted in measuring the accrued benefit obligation:

	2002	2001
Expected long term rate of return on plan assets	6.25%	6.25%
Discount rate	6.25%	6.25%
Salary increases	3.00%	3.25%
Inflation	3.00%	3.25%
Ad hoc increases to pensions as % of Consumer Price Index	50%	50%
Expected Average Remaining Service Life	8.5 years	8.5 years

The accrued benefit obligation is based on a number of assumptions about future events including: discount rate, salary increases, inflation and ad hoc indexing. A 1% change in following assumptions has the following impact on the accrued benefit obligation:

Assumption	Impact (% of ending accrued benefit obligation)
Interest	10.9
Salary	1.0
Inflation	6.5

The Authority's pension expense is:

	2002 (000's)	2001 (000's)
Current service cost – defined benefit plan	$ 355	$ 328
Current service cost – defined contribution plan	977	907
Interest cost	2,591	2,578
Expected return on pension plan assets	(897)	(861)
Amortization of net transitional obligation	535	535
Amortization of actuarial gains	(11)	(46)
Early retirement benefits	24	24
Net pension expense	$ 3,574	$ 3,465

Information about the Authority's defined benefit plan is as follows:

	2002 (000's)	2001 (000's)
Accrued benefit obligation		
Accrued benefit obligation, beginning of year	$ 42,368	$ 42,211
Current service cost – employer	355	328
Current service cost – employee	182	177
Interest cost	2,591	2,580
Benefits paid	(2,912)	(2,928)
Change in inflation assumption	(561)	—
Accrued benefit obligation, end of year	$ 42,023	$ 42,368
Plan assets		
Fair value of plan assets, beginning of year	$ 14,646	$ 14,176
Actual return on plan assets	43	1,252
Employer contributions	2,140	1,969
Employee contributions	182	177
Benefits paid	(2,912)	(2,928)
Fair value of plan assets, end of year	$ 14,099	$ 14,646
Funded status - Plan deficit	$ 27,924	$ 27,722
Unamortized transitional obligation	(3,479)	(4,015)
Unamortized net actuarial (losses) gains	(7)	227
Accrued pension liability	$ 24,438	$ 23,934

The plan deficit is not payable immediately. The total cash inflow is the amount of employee contributions and investment income expected to be received by the defined benefit plan and the total cash outflow is the amount required to pay all pension obligations. The forecast of cash outflows which exceed the cash inflows has been determined using the long-term assumptions noted above and are as follows:

	Net Cash Outflows (000's)
Next 5 years	$ 13,800
Next 10 years	$ 30,200
Next 30 years	$ 90,800

10. Lease Commitments

The Authority, as lessee, is committed under operating leases on leased premises with future minimum payments due as follows:

Year Ending March 31	2002 (000's)	2001 (000's)
2002	$ —	$ 2,571
2003	3,183	2,104
2004	3,034	1,936
2005	2,798	1,764
2006	2,472	1,438
2007	1,842	—
Subsequent years	4,574	5,641
Total	$ 17,903	$ 15,454

11. Liquor Sales

	2002 (000's)	2001 (000's)
Wine, coolers and spirits		
In stores:		
- To permittees	$ 33,015	$ 32,312
- To public	119,413	116,239
	152,428	148,551
To franchises:		
- To permittees	5,262	5,139
- To public	19,253	19,833
	24,515	24,972
	176,943	173,523
Beer		
- To permittees	119,126	116,023
- In stores	47,610	43,771
- To franchises	3,878	3,030
	170,614	162,824
Total	$ 347,557	$ 336,347

12. Fair Value

Cash, due from General Revenue Fund, payable to General Revenue Fund, accounts receivable, accounts payable, and GST payable are all short-term in nature and as such their fair values approximate their carrying values.

The accrued pension liability is long-term in nature and there is no market for settling these pension obligations. Therefore, the determination of the fair value of the pension liability is not practical.

13. 2002 Budget

These amounts represent the budget approved by Treasury Board.

14. Casino Operating Agreement with the Saskatchewan Indian Gaming Authority

On February 10, 1995, the Government of Saskatchewan made an agreement (Framework Agreement) with the Federation of Saskatchewan Indian Nations (FSIN), for the purpose of increasing economic and employment opportunities for Aboriginal peoples through casino development within the parameters of *The Criminal Code of Canada*.

To implement the above agreement, the Authority and the Saskatchewan Indian Gaming Authority (SIGA) made agreements for casino operations and slot machine management. The casino operating agreement requires SIGA to pay the net profits from slot machines to the Authority. The slot machine management agreement ensures the Authority recovers at least the cost of slot machines, the related computer system, and interest over 5 years. The net profits from the SIGA operated casinos flow through the Authority to the Government's General Revenue Fund (GRF). The Government retains a portion of those net profits in the GRF and appropriates the remaining net profits to the First Nations Fund (FNF), the Associated Entities Fund, now called the Community Initiatives Fund (CIF), and Community Development Corporations (CDCs) in accordance with *The Saskatchewan Gaming Corporation Act* and the 1995 Framework Agreement as amended.

15. SIGA Table Games and Ancillary Operations

Under the Casino Operating Agreement between SIGA and the Authority, SIGA is permitted to charge its losses from table games and ancillary operations as an expense of slot machine operations. During the year, SIGA charged the following losses as an expense of slot machine operations:

	2002 (000's)	2001 (000's)
Table games revenues	$ 6,785	$ 7,231
Table games expenditures	7,405	7,870
Net losses from table games	$ 620	$ 639
Ancillary operations revenues	$ 4,851	$ 4,808
Ancillary operations expenditures	5,814	6,396
Net losses from ancillary operations	$ 963	$ 1,588
Total losses expensed	$ 1,583	$ 2,227

16. Recovery from First Nations Fund

On June 20, 2000, the Authority announced the formation of a team to perform an investigation of financial management controls at SIGA. The mandate of the team was to investigate how SIGA used public money and SIGA's rules and procedures to safeguard and control public money.

The investigators found SIGA's governance and financial management practices were unacceptable resulting in improper use of public money. Specifically, the investigators found improper use of corporate debit and credit cards by the CEO, inadequate or no support for many payments, unauthorized salary advances, unreasonable travel and accommodation expenses, related party contracts in excess of fair market values, and contracts of indeterminable or questionable value.

In March 2001, the Authority determined SIGA's expenses totalling $2.3 million for the period from November 1997 to June 2000 were not reasonable. The Authority determined SIGA's unreasonable expenses totalled $2.1 million for the period from November 1997 to March 31, 2000 and $0.2 million for the period from April 1, 2000 to June 24, 2000. On March 12, 2001, the Authority informed SIGA about the Authority's final calculations of SIGA's unreasonable expenses. The unreasonable expenses resulted in lower net profit for the above periods.

In accordance with *The Saskatchewan Gaming Corporation Act* and the 1995 Framework Agreement, the net profits of SIGA are shared between the GRF, FNF, CIF, and CDCs (see Note 14). Had SIGA not incurred the unreasonable expenses higher net profits would have been available to the GRF, CIF, FNF, and CDCs. The GRF's, CIF's, and CDC's share of the higher net profits would have been $1.36M.

Under an agreement dated December 1, 1995, between the Government and the FSIN, the FNF is responsible for any money that is rightfully due from SIGA. Accordingly, FNF owes the Government's GRF a total of $1.36 million for unreasonable expenses of SIGA.

The Government plans to recover $1.36 million from the future payments out of the GRF to FNF. Commencing with the fourth quarter of the year ending March 31, 2001, $169,908 per quarter for eight consecutive quarters will be withheld by the GRF from monies due to the FNF. Accordingly, the Authority has not recorded the recovery from FNF in these financial statements.

17. Segmented Information

The Authority operates in four segments - liquor, VLT, slots in SIGA casinos, and other gaming.

The liquor segment reflects the retailing and licensing of beverage alcohol activities within the province.

The VLT segment pertains to the operation of the VLT program under the authority of Section 207 of *The Criminal Code* and *The Alcohol and Gaming Regulation Act*.

The slots in SIGA casinos segment reflect the operations of slot machines in casinos run by SIGA (see Note 14 and 15).

The Other Gaming segment reflects the licensing and support of charitable and religious organizations that conduct and manage bingos, casinos, raffles and breakopen ticket sales and the regulation and support of the horse racing industry. The Other Gaming segment also includes the breakopen vending machine program and the megabingo program. The breakopen vending machine program is a vending machine capable of dispensing a lottery ticket that may have a stipulated prize awarded when the paper covering of the ticket is removed. The megabingo program is an interlinked bingo game that can be played simultaneously at more than one bingo hall. The megabingo program was discontinued effective June 2001 and the costs of discontinuing the program were expensed during the year. The following table shows key amounts by segment.

	Segments					
	2002 (000's)					2001 (000's)
	Liquor	VLT	Slots in SIGA Casinos	Other Gaming	Total	Total
Revenues	$ 347,557	$ 226,690	$ 67,348	$ —	$ 641,595	$ 625,415
Other Income	2,166	57	—	1,088	3,311	7,405
Total Revenues	349,723	226,747	67,348	1,088	644,906	632,820
Direct Expenses	184,329	35,639	—	—	219,968	210,775
Operating expenses	40,966	7,597	42,513	12,660	103,736	100,146
Goods and services tax	—	2,757	—	162	2,919	2,897
Total Expenses	225,295	45,993	42,513	12,822	326,623	313,818
Net income	124,428	180,754	24,835	(11,734)	318,283	319,002
Retained earnings, beginning of year	—	—	943	—	943	698,153
Transfer to General Revenue Fund	124,428	180,754	10,528	—	315,710	1,016,212
Retained earnings, end of year	$ —	$ —	$ 15,250	$(11,734)	$ 3,516	$ 943
Capital expenditure	$ 8,690	$ 179	$ 225	$ 30	$ 9,124	$ 7,269
Amortization	$ 2,581	$ 479	$ 1,288	$ 4,116	$ 8,464	$ 7,246

18. Related Parties

These financial statements include transactions with related parties. The Authority is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Authority is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the standard rates charged by those organizations and are settled on normal trade terms. These transactions are as follows:

Category	2002 (000's)	2001 (000's)
Salaries, wages, and fringe benefits	$ 4,194	$ 3,765
Rent, utilities, and insurance	2,447	2,052
Customer service programs	1,116	—
Communications	400	413

In addition, the Authority pays Saskatchewan Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

The Authority collected the following amounts for the Department of Finance:

	2002 (000's)	2001 (000's)
Container deposits on domestic beer sales	$ 19,133	$ 18,435
Liquor Consumption Tax	11,998	12,411
Container deposits on all wine, coolers, spirits and imported beer products	4,767	4,590

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

19. Contingencies

As part of ongoing operations the Authority faces legal actions initiated by third parties. At year end there were actions outstanding against the Authority. The ultimate outcome for these actions is not yet determinable. Any payments arising from the resolution of these actions will be accounted for as an expense of the year in which settlement occurs.

20. Western Canada Lottery Corporation

The Saskatchewan Video Lottery Division of the Western Canada Lottery Corporation (WCLC) managed the video lottery terminals and central computer system on behalf of the Authority throughout the year. WCLC provided accounting, purchasing, cash disbursements, human resources, and technical services for the VLT program. WCLC also manages the slot machines and related computer system at the SIGA casinos for the Authority (Note 14).

21. Subsequent Event

On June 11, 2002, the Province and the FSIN made the 2002 Framework Agreement to replace the 1995 Framework Agreement. The 2002 Framework Agreement has a term of 25 years. As with the 1995 Gaming Framework Agreement, the Government retains a portion of SIGA's net profits in the GRF and appropriates the remaining profits to the First Nations Fund, Community Initiatives Fund and the Community Development Corporations. The 2002 Framework Agreement also provides for the establishment of a First Nations Trust, which is subject to legislative amendment to *The Saskatchewan Gaming Corporation Act*.

On June 11, 2002, the Authority and SIGA made the 2002 Casino Operating Agreement, which replaces the 1995 Casino Operating Agreement and amendments. The 2002 Casino Operating Agreement, a 25-year agreement, continues to set the terms and conditions under which SIGA carries on casino operations and slot machine management. The new agreement does not significantly alter the existing casino operating arrangement.

In addition, on June 11, 2002, the Authority and Saskatchewan Indian Gaming Licensing Inc. (SIGL) made an agreement that provides for the orderly transfer of regulatory functions from the Authority to SIGL for on reserve charitable gaming, including table games at SIGA casinos. This orderly transfer is subject to proven regulatory capacity at SIGL. This agreement also provides that the GRF will make, subject to appropriation, payments of $725,000 and $875,000 toward SIGL's operating costs for 2001/02 and 2002/03, respectively.

The 2002 Gaming Agreement also recognizes the possibility of a transfer of full jurisdiction over gaming on reserves to First Nations, if the Federal Government amends the Criminal Code of Canada or adopts new federal legislation in the area.

22. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

Schedule 1

LIQUOR AND GAMING AUTHORITY
SCHEDULE OF OPERATING EXPENSES
For the Year Ended March 31

	VLT, Liquor & Other Gaming		Slots in SIGA Casinos *		Total	
	2002 (000's)	2001 (000's)	2002 (000's)	2001 (000's)	2002 (000's)	2001 (000's)
Salaries, wages and fringe benefits	$ 30,369	$ 28,444	$ 19,850	$ 18,515	$ 50,219	$ 46,959
Rent, utilities and insurance	4,715	4,368	5,298	4,931	10,013	9,299
Professional and contractual services	6,294	4,704	2,469	2,253	8,763	6,957
Capital asset amortization	7,176	5,733	1,288	1,513	8,464	7,246
Advertising, printing, and promotion	114	73	7,323	9,599	7,437	9,672
Goods and services tax	2,919	2,897	1,637	1,952	4,556	4,849
Grants	2,568	2,701	128	725	2,696	3,426
Stationery and supplies	1,282	1,235	1,156	1,511	2,438	2,746
Operations and maintenance	1,990	2,238	362	309	2,352	2,547
Travel and business	1,543	1,293	589	854	2,132	2,147
Customer service programs	1,365	205	—	—	1,365	205
Information technology	1,207	1,285	—	—	1,207	1,285
Communications	1,189	1,092	392	440	1,581	1,532
Debit/credit charges	638	554	—	—	638	554
Service charges and interest	446	336	57	71	503	407
Sundry	125	119	225	383	350	502
Honoraria and related expenses	92	117	156	282	248	399
Stock dispositions	110	84	—	—	110	84
SIGA table and ancillary operation losses	—	—	1,583	2,227	1,583	2,227
	$ 64,142	$57,478	$ 42,513	$ 45,565	$ 106,655	$ 103,043

* Represents operating costs of SIGA Casinos.

Schedule 2

LIQUOR AND GAMING AUTHORITY
SCHEDULE OF OTHER INCOME
For the Year Ended March 31

	2002 (000's)	2001 (000's)
Licence and other fees	$ 1,313	$ 1,384
Miscellaneous	930	834
Product displays	482	498
Permits	440	472
Interest (Note 3)	136	4,153
Mark-up collections at borders	10	64
	$ 3,311	$ 7,405

Liquor & Gaming Licensing Commission

The Saskatchewan Liquor and Gaming Licensing Commission (SLGLC) is an independent body which reviews decisions of the Saskatchewan Liquor and Gaming Authority with respect to licensing, registration, cancellation and suspension issues. Any licensing party who disagrees with a decision of SLGA has the right to apply to the Commission for an appeal. Except in unusual circumstances, the SLGA's decision is stayed by the Commission Chair, pending the ruling of the Commission. By agreement between the SLGA and the Saskatchewan Indian Gaming Authority (SIGA), the Commission also hears SIGA reviews on the same basis.

During 2001-02 the Commission scheduled 43 hearings to address the same number of requests for review of various decisions made by the Authority and objections to permits being granted. In order to accommodate the public, hearings are scheduled whenever possible at the nearest major centre in the province to the cause of action. Seventeen hearings were held in Regina, 26 hearings were held in Saskatoon.

The applications have included reviews of SLGA's decisions to grant and to refuse liquor permits and gaming licences to various establishments, organizations and the horse racing industry. As well, registration, cancellation, and suspension issues, as well as objections to the granting of permits are heard. Of the 43 hearings held, 20 were liquor related, comprised of six objection hearings, 11 assessment of penalty/suspension hearings and three denials of permits. Seventeen hearings involved denials and suspensions/cancellation of gaming licences and/or gaming employee registration certificates. These 17 hearings were comprised of seven denial hearings in respect to, bingo and breakopen licences and 10 hearings were held to speak to cancellation of gaming registration certificates. There were six hearings held with respect to horse racing, involving violations of various horse racing rules.

The Commission provides written reasons for its review on the merits of all matters it hears. These written decisions are a matter of public record, and are maintained in the offices of the Commission Registrar.

As of March 31, 2002, the Commission members are:

Colleen L. Wilson, LL.B. - Chair - Saskatoon
Allan Oliver - Vice-Chair - Aneroid
Violet Kyliuk - Member - Radisson
Elaine Driver - Member - Fillmore
Gilbert Pelletier - Member - Yorkton
William Nelson - Member - Regina
Jean MacKay - Member - Regina

The Commission also has a full-time Registrar/Executive Secretary and one casual support staff.

Since 1997, the Commission has initiated procedural changes and is constantly developing its own policies to continue to ensure equitable treatment of all parties appearing before it. The Commission also makes written recommendations to SLGA regarding any significant regulatory issues that come to its attention through contact with the industries within its jurisdiction. It also continues to stay up-to-date in the changing environment of administrative law and the industries it regulates through research and attendance at industry conferences and seminars.

The Commission's primary role is serving as an independent and fair quasi-judicial appellate body mandated to ensure proper application of the legislation and regulations governing the industries over which it has jurisdiction, while ensuring the fairness and integrity of those industries.

LIQUOR AND GAMING AUTHORITY

SUPPLEMENTARY FINANCIAL INFORMATION

FISCAL YEAR ENDING MARCH 31, 2002

(UNAUDITED)

PERSONAL SERVICES

Listed are individuals (excluding unionized employees) for whom $2,500 or more of expenses were recorded for salaries, wages, secondments, honorariums, etc.

Adams, Fiona	65,699
Anderson, Brad	12,601
Babichuk, Larry	54,455
Baird, Darrell	80,495
Banilevic, Valerie	65,699
Barber, Leonard	75,192
Barr, Kenneth	13,561
Barth, Karen	36,887
Baumann, Charlene	11,952
Beaudry, Ron	48,544
Benesh, Melanie	19,544
Briscoe, Michelle	56,090
Brown, Lorne	83,313
Bryce, Neil	12,936
Bryska, Nelson	62,759
Cameron, Gordon	12,099
Cantin, Ken	49,920
Chaskavich, Patrick	13,210
Chatwell, Michael	56,838
Choma, Stephanie	40,674
Chomyn, Lorna	51,177
Claypool, Leary	70,295
Clements, Barry	12,601
Collins, Edmund	13,762
Courchene, Don	11,952
Cribb, Fiona	73,728
Danbrook, Spencer	16,080
Decelles, Marcelle	12,246
Deminchuk, Brenda	48,615
Dennett, Lucinda	36,887
Deptuch, Sally	10,262
Deshaies, James	12,601
Driver, Elaine	5,425
Engel, James	85,830

Fell, Ken	11,927
Frankowski, Gwen	70,295
Ganes, Terry	13,561
Glendinning, Peter	76,125
Gould, Jack	54,455
Greensides, Judy	12,601
Haggarty, Cindy	12,601
Harris, Garth	11,952
Hedley, Grant	50,468
Heidt, Arlene	11,952
Helgason, Myrna	11,952
Henschel, Gary	47,118
Hildebrandt, Barbara	62,493
Hubelit, Darrell	24,115
Ironside, Dennis	51,733
Jacobson, Susan	11,213
Janvier, Jonas	17,241
Jeannotte, Barry	11,490
Jinks, Karen	57,562
Keck, Lori	21,599
Keel, Gloria	13,561
Keith, Brian	51,692
Kellington, Dale	13,561
Kilbride, Joel	31,479
King, Reg	53,307
Kraemer, Darrin	54,764
Krajewski, Derry	54,455
Kraushaar, Cliff	13,561
Kunkel, Wayne	80,495
Kuschak, Barb	11,952
Kyliuk, Violet	4,805
Lacey, Barry	85,932
Langlois, Kathryn	47,362
LaPlante, Ted	54,455
Larson, Ron	17,484
Lawrence, David	12,601
Lekivetz, Calvin	65,699
Lewis, Ross	56,838
Lillebo, Joan	11,952

Loran, Eva	11,952
Lovell, Melanie	71,482
Markewich, Dale	98,939
Marr, William	80,495
Mathers, Robert	11,952
Mazer, Wesley	81,180
McBain, Bonnie	11,316
McNally, Derek	65,699
McRobb, Don	70,295
Messer-Lepage, Jacquie	76,444
Mildenberger, Greg	60,431
Mochoruk, Lori	34,128
Morgan, Dianne	60,840
Morgan, Sandra	71,598
Nelson, Bill	5,115
Newell, Al	49,420
Nystrom, Doug	49,162
Oliver, Allan	6,047
Oystryk, Karen	12,463
Painter, Audrey	12,268
Pangracs, Rodney	77,794
Pawluk, Ron	54,455
Pederson, Janet	11,952
Pelletier, Gilbert	5,735
Perrault, Margo	11,944
Perrot, Anita	9,669
Peters, David	67,442
Petit, Ken	16,934
Petruic, Lon	10,892
Pion, Josh	62,460
Poole, Brian	65,699
Rafter, Faye	102,591
Rennebohm, Peggy	6,414
Roske, Percy	13,002
Ruckaber, Gina	11,952
Sawka, Rick	13,260
Schachtel, Augustine	12,601
Schatz, Brian	63,280
Schindel, Doug	12,908

Schoffer, Janet	50,681
Schulz, Laurie	36,063
Schumann, Kathleen	36,887
Selinger, Jim	54,455
Selinger-Day, Shawna	39,176
Semenuik, Greg	11,244
Shafer, Ray	11,952
Sharp, Sheila	11,391
Skaalrud, Lynnette	10,038
Slind, Blair	54,455
Smith, Marlowe	29,557
Stettner, Linda	39,004
Storey, Marvin	12,246
Swan, Bonnie	39,243
Swan, Sam	65,111
Tetzlaff, Kathy	11,952
Thera, Leanne	80,797
Thomson, Lisa	56,351
Tosh, Duane	12,601
Toth, Ron	60,121
Triffo, Ken	48,647
Venn, Gwen	37,692
Walters, Hal	11,952
Wawryk, Walter	11,952
Webb, Ted	13,561
Weber, Paul	102,071
Welch, Dave	54,958
Wildeman, Mike	11,952
Wilson, Colleen	17,755
Winowich, Rita	12,439
Wirth, Lauren	43,300
Wlodarczyk, John	51,553
Wong, Lillie	60,081
Wood, Lisa Ann	88,073
Yee, Chris	41,133
Ziegler, David	11,952
Total Personal Services	$ 5,583,285

(UNAUDITED)

TRAVEL

Osika, Hon. Ron	608
Hamilton, Hon. Doreen	2,940
Other Travel	1,539,452
Total Travel	$ 1,543,000

(UNAUDITED)

GRANTS IN LIEU OF TAXES

Listed are cities and towns for whom $5,000 or more of grants in lieu of taxes were recorded.

City of:	
Estevan	6,511
Lloydminster	9,295
Melville	7,155
Moose Jaw	5,970
North Battleford	32,315
Prince Albert	58,548
Regina	402,031
Saskatoon	215,533
Swift Current	16,903
Weyburn	12,294
Yorkton	19,437
Town of:	
Battleford	5,824
Carlyle	5,937
Creighton	9,196
Esterhazy	6,072
Fort Qu'Appelle	7,154
Humboldt	9,768
Kamsack	5,265
Kindersley	8,485
Meadow Lake	23,138
Melfort	10,374
Moosomin	7,280
Nipawin	8,717
Rosetown	7,191
Shaunavon	8,592
Shellbrook	13,159
Tisdale	6,922
Unity	6,822
Wadena	5,094
Wynyard	5,221

LIQUOR AND GAMING AUTHORITY

SUPPLEMENTARY FINANCIAL INFORMATION

2001 - 2002

Total Cities and Towns	946,203
Grants in Lieu under $5,000	90,189
Total Grants in Lieu of Taxes	$ 1,036,392

(UNAUDITED)

LIQUOR AND GAMING AUTHORITY

*** SUPPLIER ***

SUPPLEMENTARY FINANCIAL INFORMATION

FISCAL YEAR ENDING MARCH 31, 2002

(UNAUDITED)

LIQUOR AND GAMING AUTHORITY

SUPPLEMENTARY FINANCIAL INFORMATION

2001 - 2002

Listed are suppliers for whom $20,000 or more of expenses were recorded for the provision of goods and services including office supplies, advertising, contracts and equipment, etc. but not including alcoholic products.

1 Stop Vacuum Centres	22,147
A-1 Power Door Ltd.	86,913
Action Roofing Ltd..	59,589
All Trade Contracting..	46,290
Aon Consulting .	67,332
Arcon Services Ltd	58,405
Atomic Transfer Limited	23,654
B. Rajani Architect Ltd.	238,921
Balfour Moss	51,953
Beever's Electric Ltd.	81,649
Bell Canada	116,205
Bunzl Distribution	171,633
Canadian Pacific Limited	123,106
Canadian Western Agribition	21,830
Central Lift & Equipment Ltd	90,040
Checkpoint Canada	44,566
Colliers International	15,739
Compaq Canada	22,373
Comprehensive Computer Consulting Corp	240,207
Credit Union Central of Saskatchewan	33,480
Danzas	39,043
Daringer Transport Ltd.	76,586
Diners Club Enroute	86,847
Direct Express	32,601
Dodge City Auto Ltd. .	436,013
EDS Canada Inc.	4,204,405
EDS Innovations Inc..	174,176
Electronic Environments Ltd.	21,713
Ernie Lawton Consulting	33,747
Exalta Transport Corp.	36,191
F.P.R. Developments Ltd..	228,314
First Commercial Management	54,894
Front Runner Freight	26,867

G. Edwards Enterprises Ltd.	59,166
Gardon Securities.	55,376
Gemsy's Money Handling Systems Inc.	40,192
Gene's Electric	47,868
Gene's Ltd.	271,643
Giorgio Gori SRL	93,997
Global Kiosk Systems Ltd.	21,606
Gorham Holdings Ltd.	20,865
Grand & Toy.	40,791
Grand Avenue Developments	37,749
Grassroots Studio	21,833
Greystone Investments Ltd.	87,678
Groskopf Logistics Services	20,088
Harvard Developments Ltd.	237,038
Harvard Property Management Inc.	86,712
Hawood Inn	66,883
Heritage Investments Ltd	29,820
HK Systems	192,854
Hotel Saskatchewan.	25,152
IBM Canada Ltd.	24,896
ICR Ashford Property Management	299,322
Imperial Parking	44,307
Industrial Truck Service Ltd.	26,315
ISC	22,600
J.F. Hillebrand	162,743
Janna Electric	27,661
Jays Moving & Storage Ltd.	332,079
Jim Pomfrey Construction.	56,252
JLL Holding Co.	206,699
Johnston Pacific*Convey It.	38,342
Jordan Asbestos Removal Ltd.	45,234
Kaos Solutions	169,905
Kindersley Transport Ltd.	691,756
Laser Impressions	27,169
Linka Cleveland Law Offices.	68,204
Logicorp Data System	249,669
Lucian & Peggy Lee	20,030
McLean Kennedy Inc.	55,035

Mr. Donald Head	36,745
MSR Customs Software, Systems, Solutions	90,575
National Refrigeration Heating.	88,946
NCR Canada Ltd.	136,671
Network Innovations Inc.	41,019
Nex Innovations	84,145
P.S.P. Holdings ..	73,924
Paradigm Consulting Group.	943,848
Paramount Paving Ltd.	20,865
Pattison MGM.	23,427
Pensionfund Realty Limited	199,473
PeopleSoft Canada	663,740
Printcraft Ltd.	20,535
Prudhomme Trucks Ltd.	161,847
Q R X Technology Group	21,865
Queensbury Downs	123,500
Quill Transport	49,568
Regina Exhibition Association.	744,962
Regina Inn	55,248
Regina Travelodge Joint Venture	50,718
Relizon Canada	22,044
Richard Weisbrod Trucking	47,008
Ridsdale Transport Ltd	425,384
Riocan Real Estate Investment	67,072
Riocan Real Property Services	244,148
Rocom Management Ltd.	228,411
Ross Equipment Limited	81,213
Royal Bank Western Card Centre.	52,135
Saskatchewan Economic Development .	48,300
SaskEnergy	234,671
Saskatchewan Institute on Prevention of Handicaps	23,225
Saskatchewan Power Corporation	465,925
Saskatchewan Property Management Corp.	1,695,978
Saskatoon Mechanical Ltd.	49,514
Saskatoon Prairieland Exhibition.	859,898
SaskTel CMR	400,338
Scharfstein, Gibbings, Walen & Fisher	147,537
Securicor Cash Services.	129,729

Site Management Services	24,445
Software Spectrum Canada.	41,464
Software Spectrum Inc.	113,858
ST&J Retail Corporation	113,634
Stamatinos Leland Koskie	22,996
T. & T. Properties .	205,377
T.S. Surelock Security Ltd.	26,338
TCT Logistics Inc.	32,259
Telephoto Technologies ..	21,675
The Cadillac Fairview Corp. Ltd.	108,899
TMC Technology Mgmt. Corp	73,734
Towers Ltd.	94,607
Transx Ltd	37,415
Unidesa Machines	120,480
Unisource Canada Inc.	21,460
Victory Construction Ltd. ..	66,535
Vitran	130,902
Vision Logistics	20,000
Walters Industrial Mechanical	58,732
Wascana Gaming	254,250
WBM Office Systems	112,342
Western Retail Interiors.	293,356
Westridge Construction Ltd..	291,981
Willows Golf & Country Club	31,960
Wilson Banwell & Associates Ltd..	36,647
Wolfe Group	941,422
Woloshyn & Company	140,234
Yorkton Exhibition Association	23,069
Total Supplier Payments	$ 23,385,097